



December 5, 2013

Ex Parte

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Dear Ms. Dortch:

Re: Connect America Fund; A National Broadband Plan
for Our Future; WC Docket Nos. 10-90, GN Docket
No. 13-5, Technology Transition Task Force; *USTelecom*
Petition for Non-Dominant Treatment of Switched Voice
Services, WC Docket No. 13-3

On Tuesday, December 3, 2013, I met with Daniel Alvarez of Chairman Wheeler's office. We reviewed some important industry metrics as shown on the attached slides. In particular, we discussed the rapid and continuing decline in the share of U.S. households that use traditional switched landline service for their voice needs. USTelecom projects that by the end of this year, only 26% of U.S. households will be served by this traditional service provided by incumbent local exchange carriers, while 29% will use other landline voice services. The remaining 45% of households will use wireless voice service instead of landline service. We briefly discussed the massive continuing capital expenditures made by the broadband industry to deliver and upgrade broadband services. In addition, we reviewed the attached chart showing that, as a result of these massive investments, U.S. broadband networks are sufficiently robust to support world-leading levels of Internet use by consumers and businesses in the U.S.

We then briefly discussed the importance of the Commission proceeding to finalize implementation of the CAF 2 program envisioned in the *USF/ICC Transformation Order* and to develop universal service mechanisms for rate-of-return companies that will support a return to robust private investment by those companies in rural broadband and voice services. We discussed the importance of charting a clear path towards the future IP network and the need to remove legacy regulatory impediments to that future. Finally, we briefly discussed the current cybersecurity landscape including efforts by the National Institute on Standards and Technology to develop a cybersecurity framework, the activities of the Commission's Communications, Security, Reliability, and Interoperability Council, the importance of the

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public-private partnership approach to cybersecurity generally, and the need to avoid duplicative governmental initiatives.

Pursuant to Commission rules, please include this ex parte letter in the above-identified proceedings.

Sincerely,

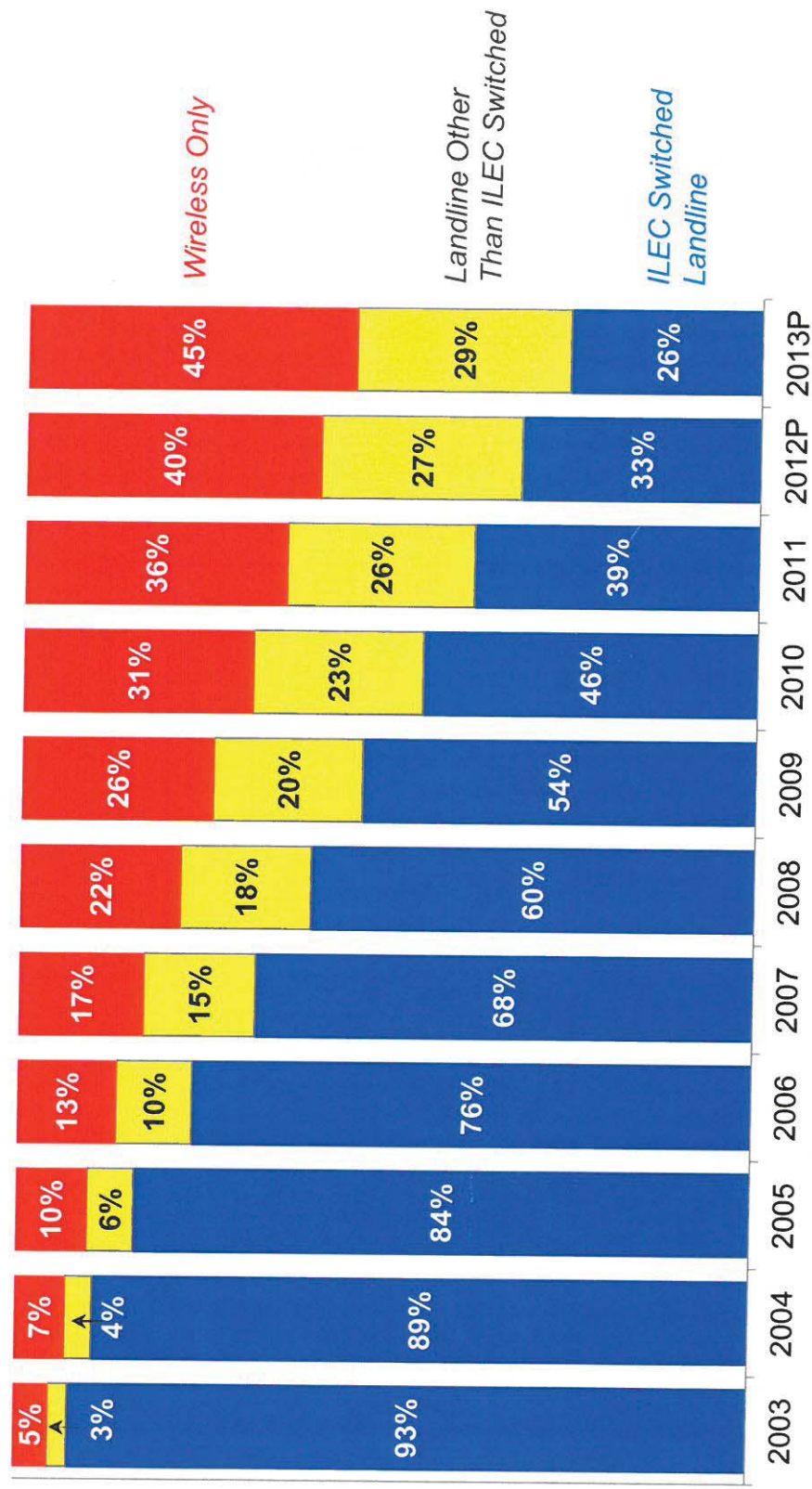
A handwritten signature in blue ink, appearing to read "Jonathan Banks", with a stylized flourish at the end.

Jonathan Banks
Senior Vice President, Law & Policy

Attachment (1)
c: Daniel Alvarez

Households Dropping Traditional Switched Telephone Landlines

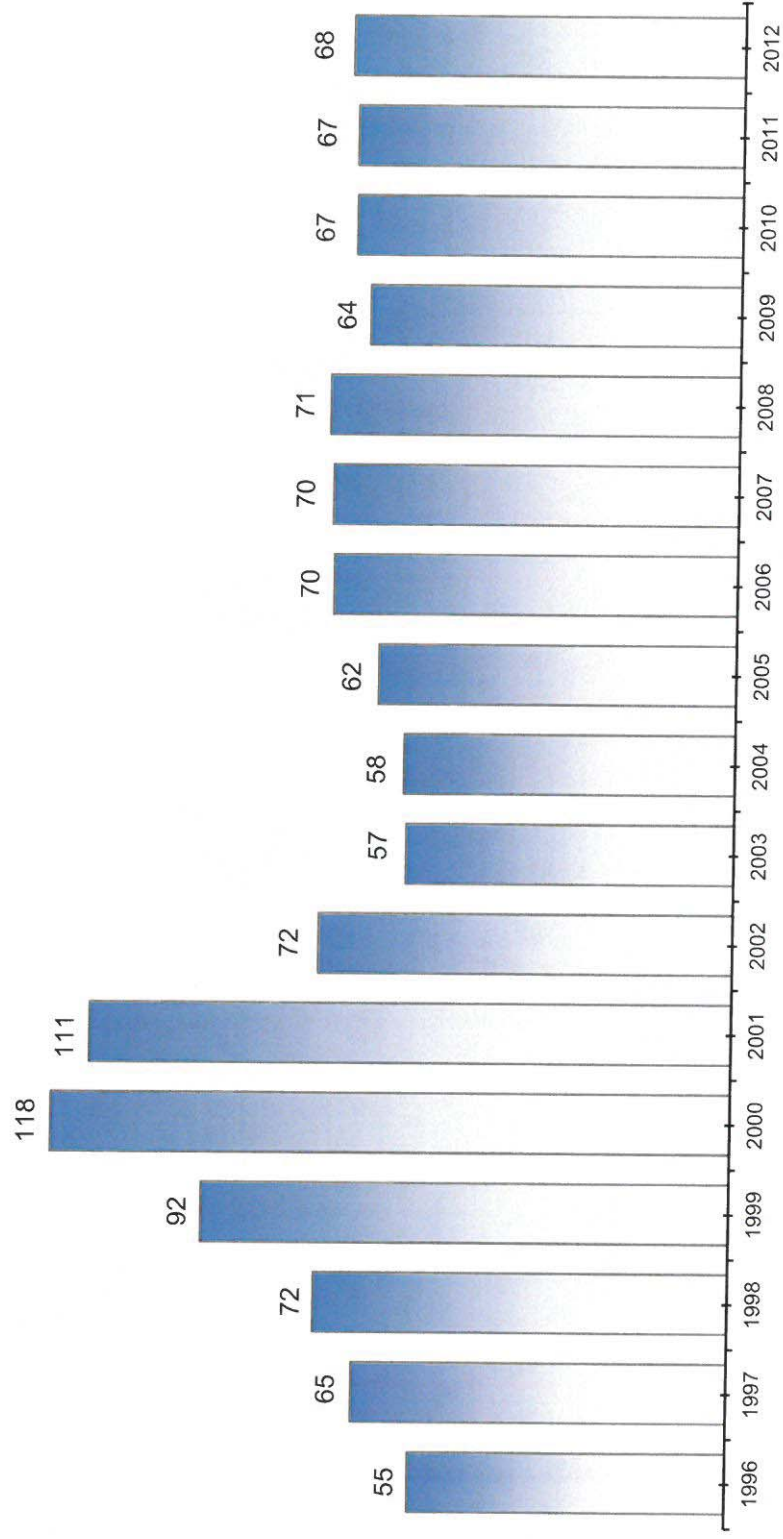
Share of U.S. Household Primary Line Service (Percent of Telephone Households)



Sources: FCC, CDC, Census, USTelecom Analysis (2008-2013P); and FCC, CDC, NCTA, Financial Reports, USTelecom Analysis (2003-7)

Historical Broadband Provider Capex

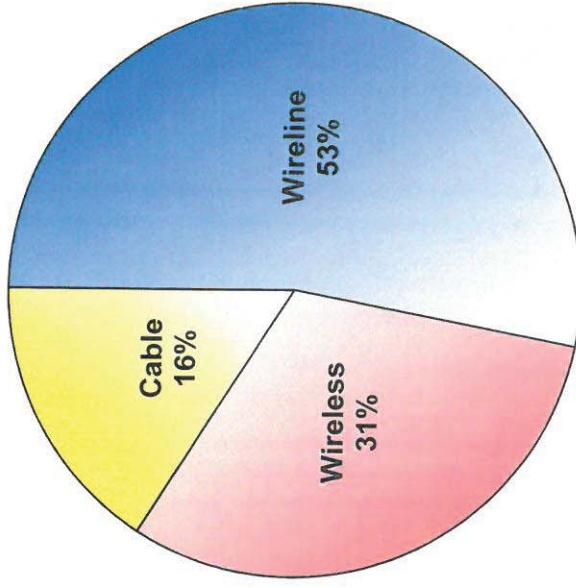
U.S. Broadband Provider Capital Expenditures, 1996-2012 (\$ billions)



Source: USTelecom (1996-2012) and Yankee Group (1996-2010).

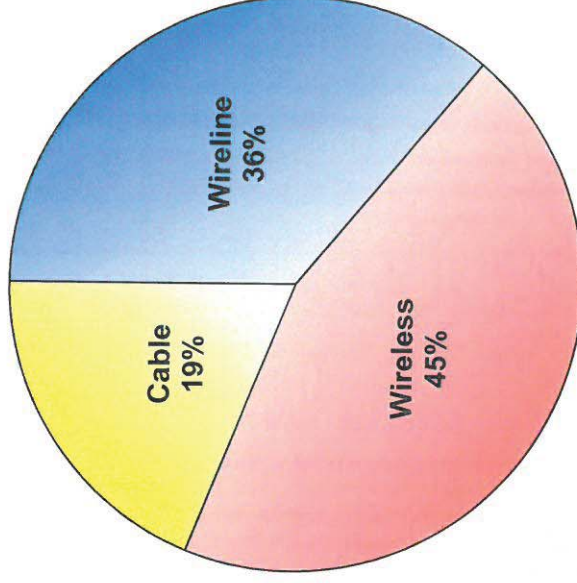
Capex by Type of Provider

Share of Broadband Capex 1996-2012



Source: USTelecom (1996-2012) and Yankee Group (1996-2010).

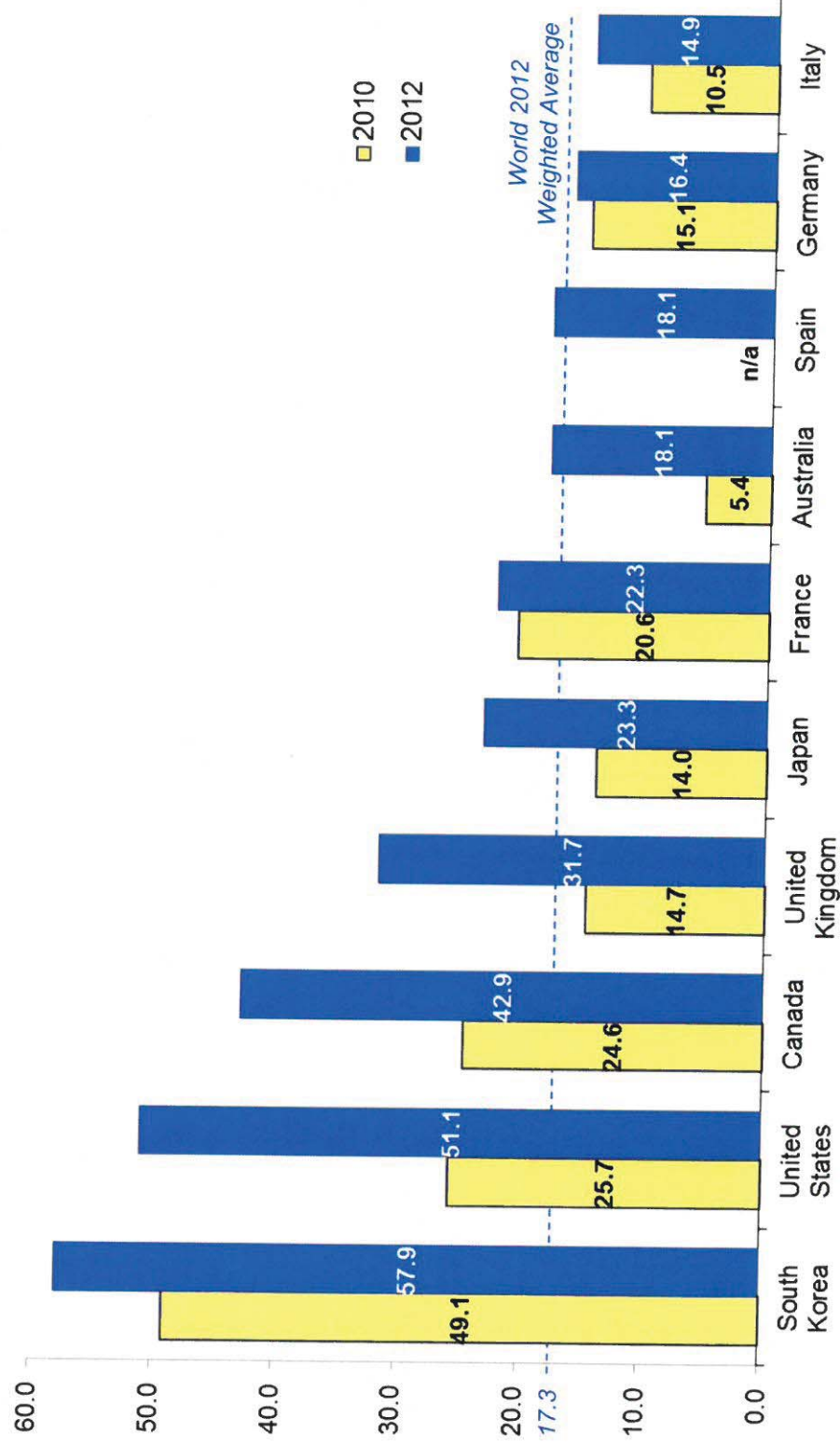
Share of Broadband Capex 2012



Source: USTelecom

The U.S. is Among the Top Industrialized Nations in Internet Usage

IP Traffic per Internet User (Gigabytes per Month)



Source: Cisco Visual Networking Index (VNI), United Nations, International Telecommunications Union, Internet World Statistics, USTelecom Analysis